

AMENDED IN ASSEMBLY MAY 12, 2005

AMENDED IN ASSEMBLY MAY 10, 2005

AMENDED IN ASSEMBLY APRIL 25, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1316

**Introduced by Assembly Member ~~Salinas~~ Members Salinas and
Cohn
(Coauthor: Assembly Member Parra)**

February 22, 2005

An act to add Section 129772 to, and to add and repeal Section 129771 of, the Health and Safety Code, relating to health facilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1316, as amended, Salinas. Health facilities: construction.

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 requires the Office of Statewide Health Planning and Development (OSHPD) to assume duties relating to construction and alteration of hospital buildings, including, but not limited to, review and approval of construction plans, in order to ensure that the buildings would be reasonably capable of providing services after a disaster.

This bill would, until January 1, 2012, authorize a public hospital governing board to retain ~~architects~~ *qualified design professionals* who meet prescribed criteria to develop its plan prior to submitting it to OSHPD ~~for projects over \$25,000 in construction costs~~. The bill would require OSHPD to establish an accelerated review criteria and would require the adoption of related emergency processes, including,

but not limited to, adoptions of emergency regulations implementing these reforms, and would require ~~a~~ *an annual* report to the Legislature by ~~July 1, 2006~~ *January 1, 2007*.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 129771 is added to the Health and
2 Safety Code, to read:

3 129771. (a) The Legislature finds and declares as follows:

4 (1) California's public hospitals, including those operated by
5 cities, counties, and health care districts, provide health care
6 services to more than 10,000,000 Californians annually and
7 constitute the core of the state's health care safety net.

8 (2) More than one-half of the patients treated in California's
9 public hospitals are uninsured, or covered by public health
10 insurance programs including, but not limited to, Medi-Cal.
11 These hospitals posted net operating losses in excess of one
12 billion dollars (\$1,000,000,000) in the 2003–04 fiscal year,
13 according to the Office of Statewide Health Planning and
14 Development (OSHPD). Many of these hospitals are struggling
15 to remain in operation today.

16 (3) The existing Alfred E. Alquist Hospital Facilities Seismic
17 Safety Act of 1983 requires that California hospitals meet design
18 and construction standards, in order to ensure they are reasonably
19 capable of providing services to the public after a major
20 earthquake. The act requires OSHPD to approve or reject all
21 plans for the construction or alteration of a hospital building.
22 After January 1, 2008, the act requires any general acute care
23 hospital building that is determined to be a potential risk of
24 collapse or pose significant loss of life to be used only for
25 nonacute care hospital purposes.

26 (4) The average approval time for plans submitted to OSHPD,
27 by district hospitals, is approaching 180 days. However, some
28 plans submitted to OSHPD by district hospitals have taken 365
29 days or more to obtain final approval. These delays have exposed
30 district hospital projects to cost inflation in excess of 25 percent,

1 jeopardizing the completion of these construction projects. The
2 delays have also increased the likelihood that these district
3 hospitals will not be able to meet the January 1, 2008, seismic
4 safety compliance deadline.

5 (5) These delays arise from a variety of factors. Some of these
6 factors include issues specific to project architects and engineers,
7 though some are related to the cumbersome nature of certain
8 administrative processes within OSHPD.

9 (6) Most public hospital construction projects are financed
10 through the sale of voter-approved general obligation bonds.
11 Their project budgets, repayment schedules, and covenants are
12 fixed, and cannot be renegotiated. District hospitals cannot
13 realistically expect to obtain voter approval for any additional
14 funding to cover cost overruns, regardless of cause. Every effort
15 must be made to reduce and eliminate unnecessary administrative
16 and process-related delays in the OSHPD plan, plan change
17 order, and project inspection approval processes.

18 (7) Accordingly, the Legislature intends to provide public
19 hospitals with the option of a guaranteed OSHPD plan review
20 and approval timeline. It also intends to initiate reforms in the
21 hospital plan review and approval, plan change order review and
22 approval, and construction project inspection approval processes
23 within OSHPD, and require regular reports to the Legislature on
24 the implementation and success of these reforms.

25 (b) (1) The governing board of a public hospital may retain
26 ~~architects~~ *qualified design professionals* who meet or exceed the
27 qualification standards specified in this section to develop plans
28 for facility alteration and construction. These ~~qualified architects~~
29 *design professionals* shall be responsible for plan development
30 and submission to the office for review and approval within the
31 timeframe specified in paragraph (3).

32 (2) (A) For purposes of this section, ~~“qualified architect”~~
33 ~~means a professional architect who meets all of the design~~
34 ~~professional” means a professional who meets all of the~~
35 following standards:

36 (i) Professional licensure pursuant to Chapter 3 (commencing
37 with Section 5500) of Division 3 of the Business and Professions
38 Code, *or professional licensure pursuant to Chapter 7*
39 *(commencing with Section 6700) of Division 3 of the Business*
40 *and Professions Code.*

1 (ii) A minimum of seven years of continuous postlicensure
2 practice.

3 (iii) Significant demonstrated working experience with
4 California Building Standards Codes and regulations regarding
5 the construction and alteration of hospitals and health facilities,
6 including, but not limited to, this chapter.

7 (iv) Any additional standards adopted by the Office of
8 Statewide Health Planning and Development.

9 (B) When the hospital's qualified ~~architect~~ *design professional*
10 determines that the hospital's plans are complete and comply
11 with all applicable California Building Standards Code
12 requirements, the ~~architect~~ *qualified design professional* shall
13 issue a certification and the hospital governing board shall submit
14 the application and the completed plans and all necessary
15 supporting documentation to the office for review.

16 (C) All applications for plan and plan amendment review
17 submitted to the office shall include the name of, and contact
18 information for, a designated hospital owner's representative.

19 (3) (A) Except as provided in subparagraph (G), the office
20 shall perform a review of the completed plans and supporting
21 design data, submitted by the hospital's qualified ~~architect~~ *design*
22 *professional* within 60 days of submission.

23 (B) If the office identifies any noncompliance with structural,
24 nonstructural bracing, fire and life safety requirements of the
25 California Building Standards Code, or other noncompliance that
26 impacts structural, nonstructural bracing or fire and life safety
27 conditions, the office shall return the completed plans to the
28 hospital's qualified ~~architect~~ *design professional* for correction,
29 and notify the hospital's designated owner representative, via
30 registered mail, that the plans have been returned to the qualified
31 ~~architect~~ *design professional* for correction. If the hospital's
32 qualified ~~architect~~ *design professional* resubmits the corrected
33 plans to the office within ~~six months~~ *45 days* from the date the
34 office returned the plans to the ~~architect~~ *qualified design*
35 *professional* for correction, the office shall review the corrected
36 plans within 60 days. If the hospital's qualified ~~architect~~ *design*
37 *professional* resubmits the corrected plans to the office after ~~six~~
38 ~~months~~ *45 days*, the office shall treat the corrected plans as a new
39 application.

1 (C) If the office does not identify any noncompliance with the
2 qualified ~~architect's~~ *design professional's* submission or
3 resubmission, the office shall issue a plan approval.

4 (D) If the office identifies any noncompliance with any code
5 requirements other than structural, nonstructural bracing or fire
6 and life safety requirements that do not impact the structural,
7 nonstructural bracing or fire and life safety conditions, the office
8 shall inform the hospital's qualified ~~architect~~ *design professional*
9 and designated owner representative, ~~issue a plan approval, and,~~
10 ~~during construction, the hospital's qualified architect shall~~
11 ~~remedy the noncompliance, and the office shall verify that the~~
12 ~~noncompliances were corrected. The office shall not permit~~
13 ~~occupancy or use of space if any noncompliance is not remedied.~~
14 ~~and issue an incremental plan approval pursuant to Section _____~~
15 ~~of Title 24 of the California Code of Regulations for those~~
16 ~~increments of the project that are found to be in compliance with~~
17 ~~code requirements. The hospital's qualified design professional~~
18 ~~shall remedy any identified noncompliances and shall resubmit~~
19 ~~corrected plans for review and approval.~~

20 ~~(G)~~

21 (E) The Legislature understands that some projects are so
22 complex that the 60-day deadlines for review of completed or
23 corrected plans, as described in subparagraphs (A) and (B), may
24 not be achievable. In all cases, the hospital owner and the office
25 may negotiate a mutually agreeable timeframe for review of the
26 *completed* plans or corrected plans developed by a qualified
27 ~~architect~~ *design professional*. However, in no case shall total
28 time required for review of plans or corrected plans developed by
29 a qualified ~~architect~~ *design professional* exceed 160 days.

30 (c) The office shall adopt within 90 days after the effective
31 date of the act that added this section, regulations to establish the
32 adoption, amendment, repeal, or readoption of a regulation
33 authorized by this section that is deemed to be necessary for the
34 immediate preservation of the public peace, health and safety, or
35 general welfare, for the purposes of Sections 11346.1 and
36 11349.6 of the Government Code, and the office is hereby
37 exempted from the requirement that it describe specific facts
38 showing the need for immediate action.

(d) As used in this section, “public hospital” means any hospital owned and operated by a city, county, city and county, health care district, or the University of California.

(e) Due to the short-term nature of the projected workload peak, this section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 129772 is added to the Health and Safety Code, to read:

129772. (a) The Office of Statewide Planning and Development shall develop and implement administrative reforms to reduce the average time required for the review and approval of hospital construction plans and plan amendments to no more than 160 days, by January 1, 2007. These reforms shall include, but not be limited to, the following:

(1) The designation of technical leaders within the office, who can provide oversight and direction to regional and state staff in the following engineering and design areas:

(A) Architectural.

(B) Structural.

(C) Mechanical.

(D) Electrical.

(E) Fire and life safety.

(2) Implementation of triage procedures for the rapid evaluation of plans and plan amendments submitted to the office.

(3) Expanded use of over-the-counter reviews for plans and plan amendments.

(4) Expedited review processes for plan amendments and change orders to address the requirements of subdivision (b) of Section 153 of Article 3 of Chapter 7 of Part 1 of Title 24 of the California Code of Regulations.

(b) The office shall begin implementation of these reforms by January 1, 2006. It shall complete implementation of all necessary reforms by July 1, 2006.

~~(c) The office shall prepare a report to the Legislature on the progress of development and implementation, to be presented to the Legislature by July 1, 2006.~~

~~(d)~~

1 (c) Beginning January 1, 2007, the office shall prepare a report
2 to the Legislature on their progress in implementing these
3 regulations, and its progress in meeting the goal of reduced
4 average plan review and approval time specified in subdivision
5 (a). This report shall be incorporated into the office's annual *oral*
6 budget presentation to the Legislature.

7 ~~(e) The reports~~

8 ~~(d) The report specified in subdivisions (c) and (d) subdivision~~
9 ~~(c) shall be delivered to the President pro-Tempore of the Senate,~~
10 ~~Speaker of the Assembly, the minority leaders in the Senate and~~
11 ~~Assembly, and the chair and vice chair of the budget committees~~
12 ~~in each house. delivered to the Assembly and Senate~~
13 ~~Appropriations and Health Committees.~~

14 SEC. 3. This act is an urgency statute necessary for the
15 immediate preservation of the public peace, health, or safety
16 within the meaning of Article IV of the Constitution and shall go
17 into immediate effect. The facts constituting the necessity are:

18 In order to ensure that public hospitals meet seismic mandates
19 with the minimum of delay and costs, while minimizing the
20 increasing workload for the Office of Statewide Health Planning
21 and Development, it is necessary that this act take effect
22 immediately.